

Message Text

UNCLASSIFIED

PAGE 01 ABIDJA 07167 250907Z

47

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 OPIC-06

XMB-04 /111 W

----- 059913

R 230936Z AUG 75

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 4796

UNCLAS ABIDJAN 7167

E.O. 11652: N/A

TAGS: EIND, EFIN

SUBJECT: FOREIGN INVESTMENT CLIMATE AND STATISTICS

REF: A) STATE 165596

B) STATE 197406

1. REVISED NARRATIVE AS FOLLOWS: IVORY COAST CONTINUES TO ACTIVELY SEEK DIRECT AMERICAN INVESTMENT. THE 1959 INVESTMENT CODE PROVIDES FOR UP TO 5 YEARS OF TAX HOLIDAY FOR THOSE INVESTMENTS DEEMED BENEFICIAL TO THE ECONOMY, AND EXIM BANK AND OPIC HAVE PROGRAMS OF DIRECT LENDING AND ISSUANCE OF INVESTMENT GUARANTEES AND INSURANCE IN IVORY COAST.

RECENTLY OPIC EMBARKED ON A PROGRAM TO DEVELOP JOINT VENTURES BETWEEN AMERICAN AND IVORIAN FIRMS AND HAS ALREADY DETERMINED AREAS WHERE SUCH INVESTMENTS MAY BE ATTRACTIVE. US INVESTMENT, CURRENTLY ABOUT \$45 MILLION, IS STILL LARGELY IN PETROLEUM REFINING AND DISTRIBUTION. BANKING ACTIVITY, ANOTHER TRADITIONAL INVESTMENT IN IVORY COAST, IS ON THE UPSWING WITH THE ESTABLISHMENT OF THE FIRST US BRANCH BANK

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ABIDJA 07167 250907Z

(FNCB) THIS YEAR. IN 1975 AMERICAN FIRMS WILL OPEN A

TEXTILE PRODUCTION PLANT NEAR ABIDJAN AND SMALLER INVESTMENTS IN FOOD PROCESSING ARE PLANNED. DUE TO THE CENTRAL LOCATION OF IVORY COAST IN THE FRANCOPHONE AFRICAN AREA AND ITS DEEP-WATER PORT WHICH SERVES THE LAND-LOCKED FRANCOPHONE COUNTRIES, MALI, UPPER VOLTA AND NIGER, ABIDJAN IS VIEWED AS AN INCREASINGLY IMPORTANT CENTER FOR REGIONAL INVESTMENT. FRENCH INDUSTRIES AND ENTERPRISES LOCATED THROUGHOUT FRENCH WEST AFRICA ARE MOVING THEIR HEADQUARTERS TO ABIDJAN. A NUMBER OF US FIRMS HAVE ALREADY DONE SO OR ARE CONSIDERING SUCH MOVES IN THE NEAR FUTURE. THE VERY ADEQUATE FACILITIES IN THE PORT OF ABIDJAN, WHICH ARE CAPABLE OF SERVICING SHIPS RAPIDLY AND EFFICIENTLY, ARE AN ATTRACTION TO SHIPPERS AND REGIONAL OFFICES. IVORIANIZATION OF PERSONNEL AND OWNERSHIP IS A HIGHLY STRESSED OBJECTIVE OF THE GOIC; CONSEQUENTLY, EXPATRIATE BUSINESSMEN ARE BEING REPLACED AS QUALIFIED IVORIANS WISH TO COMPETE FOR COMMERCIAL POSITION. NEVERTHELESS, THE GOIC HAS INDICATED ITS WILLINGNESS TO CONTINUE SUPPORT OF PRIVATE BUSINESS ACTIVITY IN IVORY COAST AND TO ENCOURAGE FIRMS TO DO BUSINESS HERE, EMPLOYING EXPATRIATE TECHNICAL EXPERTISE WHERE NECESSARY. THE IVORY COAST HAS A STRONG RECORD OF PROTECTION OF PRIVATE INTERESTS AND HAS NEVER NATIONALIZED OR EXPROPRIATED A FOREIGN INVESTMENT.

FOR MOST INVESTORS WE CONSIDER JOINT VENTURES WITH IVORIANS TO BE THE BEST POSSIBLE MEANS OF ENTERING THE IVORIAN MARKET. CERTAIN SECTORS OF THE ECONOMY ARE IN PARTICULAR NEED OF CAPITAL AND ARE EXTREMELY RECEPTIVE TO FOREIGN, PARTICULARLY AMERICAN INVESTMENT. TO ENCOURAGE POTENTIAL INVESTMENT ACTIVITY, THE IVORY COAST HAS ESTABLISHED SEVERAL OFFICES TO DIRECT AND ASSIST INVESTORS IN THREADING THEIR WAY THROUGH THE BUREAUCRACY. IN GENERAL, THESE ORGANIZATIONS ARE USEFUL TO THE INVESTOR AND THEY ASSURE THAT EACH PROJECT PROPOSAL IS EXAMINED AND CONSIDERED ON ITS OWN MERITS.

STILL, PENETRATION INTO THE IVORIAN MARKET REMAINS A CHALLENGE FOR NON-FRENCH INVESTORS AND SUPPLIERS. WE HAVE FOUND THAT A NUMBER OF AMERICAN COMPANIES HAVE FAILED TO ADAPT TO THE ECONOMY AND CULTURE AND, THEREBY, HAVE COMPLICATED THEIR INITIAL ENTRY

UNCLASSIFIED

PAGE 03 ABIDJA 07167 250907Z

INTO THE MARKET. IT IS IMPORTANT TO CONSIDER THE ORGANIZATION OF GOVERNMENT, MARKET STRUCTURE, THE NEED FOR INVESTORS AND BUSINESSMEN TO SPEAK FRENCH, AND THE IMPORTANCE OF HIRING PERSONNEL WITH CLEAR OVERSEAS ADAPTABILITY.

2. INVESTMENT STATISTICS-DIRECT AMERICAN IN DOLLARS:

TOTAL, ALL INDUSTRIES	44,728.000
-----------------------	------------

MINING AND SMELTING	1,750,000
PETROLEUM	27,450,000
MANUFACTURING	4,680,000
OTHER INDUSTRIES	12,108,000

3. DIRECT INVESTMENTS BY ALL COUNTRIES IN DOLLARS:

TOTAL, INCLUDING U.S.	469,720,000
OTHER COUNTRIES	N/A

4. FYI: IVORIAN LAW DOES NOT REQUIRE AN IMPARTIALLY
CERTIFIED FINANCIAL STATEMENT AT END OF EACH YEAR; THEREFORE,
"BOOK VALUE" BECOMES VAGUE. ALL FIGURES ARE TOP MANAGEMENTS'
BEST UNOFFICIAL ESTIMATE OF "BOOK VALUE." MANY FIRMS GUARD
CLOSELY THE TRUE STATE OF INTERNAL FINANCES IN ORDER TO AVOID
PUBLIC SCRUTINY OF THEIR OPERATIONS. END FYI. COOKE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENT CLIMATE, FOREIGN INVESTMENTS, INVESTMENT DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 23 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ABIDJA07167
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750293-0503
From: ABIDJAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750822/aaaaatlg.tel
Line Count: 130
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 165596
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 05 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 FEB 2003 by ReddocGW>; APPROVED <27 JAN 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN INVESTMENT CLIMATE AND STATISTICS
TAGS: EIND, EFIN, IV
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006